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RUEHFR/AMEMBASSY PARIS 1992
RUEHYD/AMEMBASSY YAOUNDE 1363
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RUEHLC/AMEMBASSY LIBREVILLE 0932
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DEPT FOR AF, EB, E FOR STEPHEN NEWHOUSE, ENERGY FOR CAROLYN GAY AND GEORGE PEARSON, TREASURY FOR OTA, LONDON AND PARIS FOR AFRICA WATCHERS, DAKAR FOR FCS REPRESENTATIVE CYNTHIA GRIFFITH GREENE

E.O. 12958: N/A

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SUBJECT: CHEVRON FINALLY ABLE TO ARRIVE, GOC PRESSES ON WITH RENEGOTIATIONS

REF: NDJAMENA 1137

¶1. (SBU) SUMMARY: After a brief delay, Chevron, which finally received authorization to arrive in Chad, will meet GOC officials on Thursday to try to pay its taxes, per the September 7 agreement in Paris between President Deby and CEO O'Reilly. The GOC continues to press on with preparations for the renegotiation of the 1988 and 2004 conventions. Civil society, while in support of the GOC efforts to consider a renegotiation, questions whether the GOC has the technical expertise to negotiate an agreement beneficial for the Chadian people. END SUMMARY.

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CHEVRON FINALLY ARRIVES
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¶2. (SBU) A Chevron team, led by General Manager Carole Rock, has finally arrived in N'Djamena to begin technical discussions with GOC authorities on the payment of taxes in accordance with the agreements on September 7 between Chadian President Idriss Deby Itno and Chevron CEO Dave O'Reilly. Rock told Economic/Consular officer on September 19 that the decision to enter into the country came down to the wire, as Chevron had not received a letter from the Chadian Office of the Presidency until three hours before the Chevron authorities were supposed to depart Paris for N'Djamena.

¶3. (SBU) Once at the airport, Chadian immigration authorities permitted the Chevron team to pass through customs after seeing the letter from the Presidency. Rock said that the team would meet officials at the Ministry of Finance and the National Tax Director to hammer out the details on the actual payment. Rock did not comment on whether the tax payment calculation proposed by Chevron matched the GOC's tax assessment, but hoped that a resolution would be reached on a technical level.

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MINISTER OF PETROLEUM ON OIL MATTERS

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¶4. (SBU) On September 18, newly-appointed Minister of Petroleum Emmanuel Nadingar told Ambassador Wall that Chevron was welcome into the country to hammer out the technical details of its tax payments to the GOC. The company, however, needed to make sure that Chadian authorities were aware of the agreement made between President Deby and CEO O'Reilly, as only a handful of GOC officials were present in the meeting in Paris. Nadingar also noted his hope that Chevron's tax calculations were fair and conformed to what the GOC felt it was entitled to from Chevron.

¶5. (SBU) The Minister continued to say that the GOC was still moving ahead with the planning of the renegotiation of the 1988 and 2004 oil conventions with the Consortium. The Government's national commission had already begun discussions on the renegotiation, and a group of technical experts had been formed to assist the national commission's efforts. The Ambassador encouraged Nadingar to consider approaching the Embassy on its concerns before going public with dramatic announcement (as was done by President Deby in his August 26 decision to expel Chevron and Petronas). The Minister agreed and said that the GOC would keep the U.S. Embassy informed of developments during the course the negotiations with the Consortium.

¶6. (SBU) The Ambassador also introduced the Department of Treasury's Resident Advisor to the Revenue Management College (CCSRP), and stressed the importance that the U.S. placed on supporting the activities of the College. Nadingar said the GOC welcomed any resources that would help it to better

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manage its oil revenues, and hoped that the technical assistance for the College would continue. He pointed out that the GOC was committed to the transparent management of its oil revenues, and would work with the international community to ensure that revenues were used for poverty alleviation.

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CIVIL SOCIETY'S VIEWS
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¶7. (SBU) Civil society representatives hosted a workshop on September 16 to present their views publicly on the GOC's decision to renegotiate the 1988 and 2004 conventions with the Consortium. The workshop revealed that civil society representatives believe that the conventions need to be renegotiated to allow the GOC a stake in the production of the country's crude oil. However, they questioned whether the GOC has the technical means to adequately negotiate with the oil companies, who, they claimed during the workshop, had a greater level of expertise in negotiations. The representatives also expressed their belief that the GOC was doing little to inform the public on the technical aspects of the current convention and plans for the GOC to enter into the oil production process, and called on the national oil commission to do more to inform the public on its activities.

WALL